



September 17, 2004

Ms. Jennifer J. Johnson
Secretary of the Board
Federal Reserve System Board of Governors
20th Street and Constitution Avenue NW
Washington, DC 20551

Via Email: Regs.comments@federalreserve.gov

RE: Docket No. OP-1209 – August 5th 2004
Request for Information for study on Investigations of Disputed Consumer
Information Reported to Consumer Reporting Agencies

Dear Ms. Johnson:

The National Credit Reporting Association (NCRA) is a trade association founded in 1992 to represent the consumer reporting industry known in the Fair Credit Reporting Act and the Fair and Accurate Credit Transactions Act as a “Reseller” consumer reporting agency. “Resellers” primarily provide specialty consumer reports specifically created to meet the needs of mortgage lending, apartment leasing, or employment screening. NCRA’s membership consists of approximately two-thirds of the companies in the United States that can issue the type of credit report required to close a loan with Fannie Mae, Freddie Mac, or HUD approval.

We cannot provide insight to certain questions from your August 5th, 2004 request for information because NCRA members operate in such a specific niche segment of the consumer reporting industry. The areas in which we are able to provide comment are as follows:

Other furnisher duties

- Question 1
Many furnishers of credit information totally disregard their obligations under the FCRA to process consumer disputes when the dispute information is supplied to them via reseller consumer reporting agencies. Some of the nation’s largest retailers, commercial banks, and credit card issuers will simply reply to consumer dispute requests (whether provided via phone, fax, email, or mail) with a blanket refusal to provide any information and a statement that they report to one of, or some combination of, the three nationwide credit repositories.

Other furnisher duties, Question 1, continued

This issue has plagued the industry for years; and for the benefit of millions of American homebuyers that discover a problem within their credit report during the mortgage lending process, NCRA truly hopes that FACTA will end the blatant disregard for the FCRA. When a reseller consumer reporting agency is trying to clear a consumer dispute, that consumer's home, apartment, or job may be relying on the outcome of the furnisher's reply. When a furnisher flatly refuses to provide a reply to the reseller's inquiry via any means, the furnisher is jeopardizing that consumer's ability to obtain a residence or employment.

Disputes communicated by consumers to consumer reporting agencies

- Question 1
A reseller consumer reporting agency will provide the furnisher with the consumer's dispute via whatever means they require. Phone (including three-way calls with the consumer on line with the reseller and the furnisher), fax, email, mail, and mail with an original ink signature from the consumer; are all methods used to provide the furnisher the consumer's dispute from a reseller.
- Question 2
Reseller consumer reporting agencies cannot ensure that furnishers comply with the requirements set by the FCRA. Many furnishers currently ignore their duties under the FCRA when it comes to the processing of consumer disputes via a reseller.
- Question 3
Some furnishers' procedures for consumer dispute processing demand investigation timeframes greater than required by the FCRA. Others have policies to blatantly ignore resellers or to send notice that they will not respond to a reseller handling the consumer's dispute. Copies of letters like this can be provided upon request.
- Question 4
All the relevant data needed to sufficiently process the consumer's dispute, name, date of birth, Social Security number, current and previous address, spouse's name and Social Security number (if applicable), phone number, employer, authorization form, and even signature samples are all in the possession of the reseller and available if needed to settle a consumer's dispute.
- Question 5
This varies greatly pending the furnisher in question. Some will provide the correct information to the reseller and then forward the correction to the proper repository consumer reporting agencies. Others do not respond at all so no correction can be made to the consumer's file unless the disputed data is deleted, regardless of its validity.

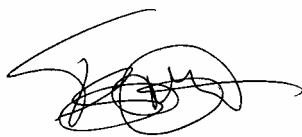
- Question 6
 {Unable to respond}
- Question 7
 If a consumer continues to dispute an item that has been proven to be accurate, the reseller will deem the consumer's dispute to be frivolous and disregard disputes as such. We have no statistics on how often this happens at the reseller level.

Recommendations

- Question 1
 To enforce the current FCRA and FACTA requirements for furnishers of credit data to process consumer disputes in a timely manner regardless of what type of consumer reporting agency sends the dispute to them. Resellers are required to follow FCRA and FACTA consumer dispute processes just as the repository consumer reporting agencies. Under FACTA, there will be a new coordination of the consumer dispute between the resellers and the repositories so that the consumer will not have to dispute an item multiple times when errors are discovered in the process of a mortgage, lease, or job application. This is only a benefit to keep the consumer from going through multiple dispute processes. The reseller consumer reporting agency access to the creditor to process a consumer dispute is still vital to the consumer's transaction.

Thank you for the opportunity to provide input on this process. Please contact me if you have any questions of would like further documentation on the issues we have addressed

Sincerely,

A handwritten signature in black ink, appearing to read 'Terry Clemans', with a large, stylized flourish extending from the end.

Terry Clemans
Executive Director

JG